

Issues of Merit

A Publication of the Office of Policy and Evaluation, U.S. Merit Systems Protection Board

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Director's Perspective

Better Hiring Process Requires Better Applicant Assessment

Over the last 20 years the Merit Systems Protection Board has recommended a number of improvements to the federal merit-based employment system with a focus on better ways to achieve the objective of a highly qualified and productive workforce. This has included advocacy of a streamlined hiring process that also meets public policy objectives with regard to veterans and workforce diversity. Today, the realities of an aging workforce and a shrinking applicant pool make an efficient and applicant-friendly hiring process more important than ever. Fortunately, renewed attention is being given to ways to improve the effectiveness of federal recruitment efforts. What has not yet received as much attention as it deserves, however, is the last stage of the hiring process, i.e., applicant assessment and selection.

At a recent Senate hearing, Office of Personnel Management Director Janice Lachance aptly described her vision for managing human capital as "getting the right people with the right skills into the right jobs at the right time," noting the importance of doing so "in the right way" for federal sector employment. At that same hearing, the Comptroller General of the United States, David Walker, testified that "In response to an increasingly competitive job market, federal agencies will need the tools and flexibilities to attract, hire, and retain top-flight talent." MSPB's research certainly supports both statements as well as our belief that among the tools federal agencies need in order to hire the right people with the right skills are the most valid, predictive applicant assessment methods possible.

That good recruitment and good applicant assessment efforts need to co-exist is evident in the findings from two recent MSPB reports. In its Febru-

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Supervisors Often Unsatisfied With Job Candidates

About a third of the time, the government's merit promotion process does not refer acceptable candidates to federal supervisors with vacancies to fill. According to results of a 1999 MSPB survey of federal supervisors, when considering referral lists containing only applicants already employed by their organizations, some 32 percent of the time supervisors found no one they wanted to select. The supervisors were similarly dissatisfied 35 percent of the time when considering referral lists that included applicants from other agencies, and 33 percent of the time when the lists contained candidates from outside the government. All the candidates on the lists had been rated "best qualified" for the vacant positions.

The survey was administered in connection with a current MSPB study of the federal merit promotion process, and it both confirmed some existing theories and provided a few unexpected results. For example, we weren't surprised to

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OPE Focus on the Facts

Belief:

When filing MSPB appeals alleging discrimination, employees base their allegations on race more than any other type of discrimination.

Fact:

Disability—not race, sex, or national origin—is cited more often than any other basis in employee appeals to MSPB that concern discrimination.

Source: unpublished data from MSPB Case Management System, November 1999

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ary 2000 report, "Competing for Federal Jobs: Job Search Experiences of New Hires," MSPB notes a statistical trend that calls into question the government's current ability to attract and hire "top-flight talent." We found that for white collar jobs the percentage of new competitive hires with a 4-year college degree or higher had declined from 50 percent in FY 1994 to 40 percent by FY 1998. And the drop was not restricted to administrative jobs. For example, in FY 1995, 86 percent of the newly hired professional accountants and auditors in federal jobs held college degrees, but in FY 1999 only 74 percent of the accountants and auditors hired were college graduates. This may indicate a decline in the overall quality of the applicant pool. It also highlights the need, therefore, to ensure that we select from that pool the best candi-

dates possible by accurately assessing their job-related competencies. Unfortunately, the Board's August 1999 report, "The Role of Delegated Examining Units," finds that candidate assessment is a weak link in the hiring process.

With a few notable exceptions, federal agencies that have a large number of applicants to rank currently do so—if they rank them at all—primarily on the basis of a paper review of their education and experience. It's difficult to make meaningful distinctions among applicants using such an approach, especially at the entry level, where experience may be minimal. Nor has this fact been lost on responsible program officials in many of those agencies. In the opinion of a number of those officials interviewed in the course of our study, current examining methods often fail to place the best candidates on referral certificates.

In short, streamlined processes to make hiring more timely, smart re-

cruiting practices and incentives to attract good candidates, and relatively simple application procedures are all necessary elements of a good hiring system—but they are not enough. The job will not be done until we also develop and integrate into the hiring process valid, predictive assessment and selection methods. Neither the civil service nor the American public benefits when superior candidates are recruited and the application process is timely but we are unable to identify which of the candidates are most likely to succeed on the job. In its August 1999 report on the role of delegated examining units, the Board recommended that action be taken—and funding be provided—to create and validate better applicant assessment tools. That's a good idea that, under the circumstances, is getting better all the time.

John M. Palguta
Director, Policy and Evaluation

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find that supervisors were most likely to select candidates who already worked for them in some other capacity—60 percent of the supervisors who had been the selecting official for at least one job during the 2 years preceding the survey said they had chosen someone who already worked for them. What was more surprising was the fact that when supervisors used the merit promotion process to fill a vacancy with someone from outside their own agency, they were more likely to select an applicant from outside the government than an employee from another federal agency. Forty-six percent of the supervisors said that on at least one occasion they had selected a non-federal employee compared to only 35 percent who said they

had selected someone from another federal agency.

No matter what the source of the candidates, it is a cause for concern that supervisors consistently found that about a third of the time the lists of candidates contained no individuals well-matched for the job. The responses to another survey item reinforce this concern. We asked supervisors what percentage of the applicants who had been referred as "best qualified" over the past 2 years actually were outstanding candidates. Some 60 percent of the supervisors said that less than half of the applicants belonged in that category. These responses raise questions about the quality of the government's processes for identifying highly qualified candidates for job vacancies.

Publication of a full report on the results of this study is expected later this year.

Merit-Based Hiring Still Lagging

New data on the methods agencies use to hire entry level employees indicate that non-merit-based hiring, such as the Outstanding Scholar Program, continues to play a prominent role in hiring GS-5 and -7 level professional and administrative workers. OPM figures for the first three quarters of 1999 show that only 35 percent of employees in those job categories were appointed using competitive hiring methods. The Outstanding Scholar and Bilingual/Bicultural Programs together accounted for 40 percent of the new hires in the entry level professional and administrative categories for which those two programs are authorized.

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Table 1. How 1993-1999 new hires entered entry-level jobs in occupations formerly subject to hiring through the PACE (jobs subject to the Luevano consent decree).

Hired through:	Percent hired in:						
	1993	1994	1995	1996	1997	1998	1999*
Outstanding Scholar	46	42	41	34	35	30	34
Bilingual/Bicultural	3	4	2	4	8	4	6
Co-operative education	13	11	8	6	5	4	4
VRA	10	9	12	15	11	10	8
Competitive examining	11	16	15	25	25	38	35
Other	18	18	22	17	17	13	13
Total	100	100	100	100	100	100	100
Number hired	4,084	4,534	5,140	5,863	5,966	7,155	6,594

* 1999 figures reflect only January-September information.

Note: because of rounding, column totals may not equal 100 percent.

Source: OPM's CPDF. Data drawn by OPM Office of Workforce Information.

Table 2. Race and national origin distribution for 1993-1999 entry level new hires into occupations formerly subject to hiring through the PACE (jobs subject to the Luevano consent decree).

Year Hired	African-American	Hispanic	Asian/Pacific Islander	Native American	White
1993	12.0	8.8	4.5	1.7	72.6
1994	13.8	10.3	5.5	1.6	67.6
1995	15.5	10.9	5.5	1.3	64.7
1996	12.6	12.2	4.6	1.0	68.5
1997	12.5	15.5	4.8	1.0	65.5
1998	13.7	14.8	5.1	1.2	65.0
1999*	15.6	14.0	5.3	1.7	62.7
1994 CLF	10.6	10.0	3.3	0.7	75.4

* 1999 figures reflect only January-September information.

Note: because of rounding, column totals may not equal 100 percent.

Source: OPM's CPDF. Data drawn by OPM Office of Workforce Information.

The figures for 1998 and the first three quarters of 1999, shown in the two tables above, are the latest data available on this subject. Table 1 shows hiring patterns based on the various hiring methods that were discussed in an MSPB report published in January, "Restoring Merit to Federal Hiring." Data in that report

covered only the period through 1997. According to the new data, use of competitive hiring began to exceed use of the Outstanding Scholar authority in 1998. However, in 1999, more than one-third of all hiring into covered jobs was still being done through the non-merit-based Outstanding Scholar Program.

Table 2 updates our January report's information with respect to race and national origin distribution for the hiring shown in table 1. African-Americans and Hispanics, the two groups of concern in the *Luevano* consent decree (which created the Outstanding Scholar and Bilingual/Bicultural Programs), continue to enter covered occupations at rates that exceed the government's goal (which is to mirror civilian labor force (CLF) representation).

In updating this information, we also looked at the relationship of the Outstanding Scholar Program to the hiring of veterans. In 1998, 19 percent of all competitive hires into positions covered by the *Luevano* consent decree were veterans' preference eligibles, compared to only 7 percent of individuals hired through the Outstanding Scholar Program. For the first three quarters of 1999, the comparable figures were 17 percent for competitive hires and 9 percent for Outstanding Scholar hires.

The updated information also reaffirmed some good news: African-Americans and Hispanics are being hired at greater-than-targeted levels into GS-5 and -7 professional and administrative occupations through competitive hiring programs, clearly demonstrating that merit based hiring and achieving workforce diversity are not mutually exclusive objectives.

Chairman Erdreich's Term Ends

Recently the MSPB staff and a number of guests gathered at the Sumner School in Washington, D.C., to say a fond farewell to Chairman Ben L. Erdreich, whose 7-year term ended March 2, 2000, and to his staff (Chief of Staff Anita Boles, Chief Counsel Bill Wiley, and Legal Specialist and White House Liaison Denise

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Miller). Chairman Erdreich, who will remain in the Washington area, has joined the governmental affairs practice of Bradley Arrant Rose & White LLP, Alabama's largest law firm. The chairman will be dividing his time between the firm's Washington and Birmingham offices. Before President Clinton appointed him to head MSPB, Chairman Erdreich served for 10 years as a Democratic member of Congress representing the 6th District of Alabama.

Chairman Erdreich's tenure at the Board coincided with a period of substantial government downsizing during which the number of MSPB employees decreased by over 20 percent. Despite that, and in large part because of the chairman's leadership and reinvention efforts, the Board continued to adjudicate nearly 10,000 cases a year, while maintaining an average processing time for completing work on initial appeals that was well under its self-imposed goal of handling appeals within 120 days from the date of their filing. The chairman was particularly interested in improving the adjudicatory

process and strongly supported automation innovations that could ultimately lead to fully electronic case processing. He also encouraged initiatives aimed at increasing the use of alternative dispute resolution procedures, video-conferenced hearings, and bench decisions.

Chairman Erdreich was the Board's fourth chairman. With his departure, MSPB Vice Chair Beth S. Slavet has become the Board's acting chairman. The President has announced his intention to nominate Ms. Slavet as chairman.

Employee Advancement: Hiring Method Makes a Difference

In a 1994 study on how people enter professional and administrative positions in the federal government, MSPB tracked people who enter the government by a variety of different methods over time. Employees who started in federal professional and administrative positions in 1984 were followed until 1992 to see how far they had progressed and what sorts of awards they had received. In conjunction with a study conducted by the National Academy of Public Administration (NAPA), we recently updated those findings by looking at individuals hired during 1991 through 1993 to see how far they had advanced in their careers by the end of 1998. The idea was to discover whether people who entered professional and administrative careers with the government through different hiring methods advanced at different rates.

As we found in 1994, the method used to hire this group of employees did make a difference in how they advanced. Although relatively few in number, the individuals who entered through the Presidential Management Intern Program had the greatest rate of advancement. People who

were first hired at the GS-9 level by way of the Cooperative Education Program also advanced at a greater than average rate. Also faring relatively well were employees hired at the GS-5 level through agency delegated examining authorities and noncompetitive methods such as disabled veterans authorities.

This group did not include noncompetitive appointees hired under the Outstanding Scholar Program. In fact, the Outstanding Scholar appointees (who were hired based on superior college grade point average) didn't do as well as some others, advancing only at an overall average rate.

Notably, people entering professional and administrative positions through two specific sources typically advanced less than those coming in through the other sources. One source is the non-ACWA OPM examining process. New employees hired through that process typically advanced slightly less than those from other sources. An even greater difference was found for employees who were placed through agency merit promotion programs. Regardless of whether they started as GS-5s, GS-7s, or GS-9s, people who entered professional and administrative jobs through merit promotion programs advanced significantly less far than their cohorts entering from other sources.

A surprising but important additional finding was that people who first entered professional and administrative jobs at the GS-7 level had, on average, actually advanced farther than those who entered by similar methods at the GS-9 level. This suggests that the government may not be getting a very good return on the higher investment that is made when people are hired at the higher-paying GS-9 level. This is an especially important finding since our data indicate that the government has been hiring more and more people at the GS-9 level relative to the less expensive GS-5

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and GS-7 levels.

Other aspects of entry level hiring are discussed in NAPA's recently published report, "Entry Hiring and Development for the 21st Century: Professional and Administrative Positions." For information on ordering the report, contact NAPA at (301) 617-7801 or P.O. Box 351, Annapolis Junction, MD 20701.

Survey Sent to Over 17,000 Feds

Some 17,250 civilian employees in the executive branch are being asked to complete MSPB's Merit Principles Survey 2000. The survey, conducted once every three or four years, is an important tool in the Board's oversight of the federal civil service.

In the past the Board has asked agency personnel offices to distribute most of the surveys to the employees whom they serviced. However the downsizing and consolidations that have marked federal HR operations in the past few years make the reliability of that form of survey delivery questionable. Consequently, a significant number of the questionnaires for Survey 2000 are being mailed to employee home addresses.

The basic survey design involves 23 groups of 750 employees. Each group represents a major executive branch department or agency. Of the 23 agency groups, 14 are sending the surveys directly to home addresses, four are sending the surveys to work addresses, and five are distributing the surveys through their HR offices. The agencies themselves chose the method of distribution that would best meet their needs.

We expect the surveys to be distributed, completed, and returned by May. Preliminary results of the survey are expected in late summer. Additional information and monthly updates on the status of

the survey are on our web site (www.mspb.gov) under STUDIES.

HR Directors View Job Web Site as Mixed Blessing

Responding to a recent MSPB survey on various HR issues, human resources directors from the federal government's 23 largest departments and independent agencies provided their views on how USAJobs, OPM's web site for federal job vacancy listings (www.usajobs.opm.gov), has affected the hiring process in their organizations.

A majority of the survey respondents said that using USAJobs has made disseminating job vacancy information to potential applicants easier, quicker, and more efficient. The web site has enabled some agencies to accelerate the entire hiring process. Several respondents also mentioned that applicants like having a central source of information about government job openings.

A large proportion of the directors noted that the advent of USAJobs has resulted in a tremendous increase in the number of applications they now receive for job vacancies—but this was viewed as a mixed blessing. While a larger number of applications creates a more robust candidate pool, that increase has put a strain on the HR staff who must process applicants' submissions. However, most of the HR directors who commented on this issue said that the positive aspect of additional applications outweighs the negative. Unfortunately, a few respondents noted that the dramatic increase in the overall number of candidates has not been accompanied by an increase in the number of *qualified* candidates.

As one HR director noted, "On one hand, [USAJobs] allows agencies to quickly and easily disseminate

job information worldwide, it streamlines the process of meeting public notice requirements, and undoubtedly has garnered the attention of individuals who would not have actively sought federal employment through the older, more cumbersome process. On the other hand, it has exponentially increased the volume of applications received, many being incomplete or from unqualified candidates. It requires considerably greater expenditure of agencies' HR resources to screen the applications, rate and rank qualified candidates, and respond to applicants."

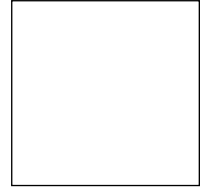
Perhaps one way of dealing with the negative effects of the increased number of candidates might be to adopt some of the suggestions we made in an October 1999 *Issues of Merit* article that

The dramatic increase in the overall number of candidates has not been accompanied by an increase in the number of qualified candidates.

focused on the quality of USAJobs vacancy announcements. That article advised providing clearer information about the vacant position and the qualifications for the job. Agencies that seriously examine the appearance of vacancy announcements and the quality of their content might find that making the appropriate improvements will not only more effectively "sell" the agency to potential applicants, but also will help applicants do a better job of self-screening. If applicants can use the information on vacancy announcements to do a better job of determining what positions they're most competitive for as well as which ones they aren't really qualified for, some of the workload pressure might be removed from HR staff.



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Selected Publications from the Office of Policy and Evaluation*

- ☐ Competing for Federal Jobs: Job Search Experiences of New Hires
- ☐ Restoring Merit to Federal Hiring: Why Two Special Hiring Programs Should Be Ended
- ☐ The Role of Delegated Examining Units: Hiring New Employees in a Decentralized Civil Service
- ☐ Federal Supervisors and Poor Performers
- ☐ Civil Service Evaluation: the Evolving Role of the U.S. Office of Personnel Management
- ☐ Federal Supervisors and Strategic Human Resources Management
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- ☐ Fair and Equitable Treatment: A Progress Report on Minority Employment in the Federal Government
- ☐ The Rule of Three in Federal Hiring: Boon or Bane?
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- ☐ Whistleblowing in the Federal Government: An Update
- ☐ A Question of Equity: Women and the Glass Ceiling in the Federal Government

Selected Current Projects

- ☐ OPM 20-year retrospective
- ☐ Career transition programs
- ☐ Governmentwide Merit Principles Survey 2000
- ☐ Merit promotion
- ☐ Selection tools used in federal hiring

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* Most of these reports can be downloaded from the **STUDIES** page of the MSPB website: www.mspb.gov

"Issues of Merit" provides findings and recommendations drawn from MSPB research on topics and issues relevant to the effective operation of the federal merit systems and the significant actions of the Office of Personnel Management.